

Canyon Fuel Company, LLC Skyline Mines

HC 35 Box 380 Helper, Utah 84526 (435) 448-6463 Fax: (435) 448-2632

June 1, 2001

Ms. Pam Grubaugh-Littig Utah Coal Program Utah Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 P. O. Box 145801 Salt Lake City, Utah 84114-5801

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Dear Pam:

Re:

Canyon Fuel Company, LLC (CFC) is submitting these applications to modify the Dugout Canyon Mine and Banning Loadout Mining and Reclamation Plans to allow for the storage at the Banning Loadout of sediment removed from the Dugout Canyon Mine sedimentation pond. Five clean and redline-strikethrough copies of the modified pages of each M&RP have been included with this letter. A copy has been forwarded to Mr. Steve Demczak of the Division's Price office.

Transfer of Dugout Canyon Mine Sediment Pond Sediment to the Banning Loadout

CFC plans to remove sediment from the Dugout Canyon Mine sedimentation pond and store it at the Banning Loadout in the area designated for equipment storage. A sample of the sediment has been obtained and analyzed to determine if it would be suitable as substitute growth media during reclamation. Results of the analysis indicate it is acceptable and is potentially as good or better than the material currently available at Banning for reclamation purposes. Therefore, it is CFC's intent to remove the sediment from the Dugout sediment pond, store it at Banning, and potentially use it during final loadout.

In addition to storing Dugout Canyon Mine pond sediment at Banning, CFC would like to, if necessary, pump the sediment pond water that does not meet the mine's UPDES discharge limitations into the abandoned and sealed portions of the Gilson seam workings located on the east and west sides of the canyon. MSHA has been notified of our intent to discharge the water to the workings. The mine would prefer to use the water for dust suppression but this may not use all of the water currently stored in the pond.

We would like to remove the sediment from the pond at Dugout Canyon Mine in the later part of June of this year. If you have any questions regarding these submittals, please call me at (435) 448-2669.

Sincerely.

Chris D. Hansen

Environmental Coordinator Canyon Fuel Company, LLC

cc: Steve Demczak, Price Field Office

Dave Spillman, CFC Dugout

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DIVISION OF OIL, GAS AND MINING

APPLIC	ATION FOR	PERMIT	PRO	CESSING
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Permit Change X	New Permit □	Renewal 🗆	Transfer 🗆	Exploration	Bond Release □	Permit Number:	ACT/007/034

Title of Proposal: Modifications to Allow for Disposal of Pond Sediment from Dugout Canyon Mine at Banning Loadout

Mine: Banning Loadout

Permittee: CANYON FUEL CO., LLC

Description, include reason for application and timing required to implement: Dugout Mine is planning to clean its sediment pond early this summer (end of June) and needs a location to store the sediment.

Instruct	tions: If yo	u answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.		
□ Yes	x No	1. Change in the size of the Permit Area?acres Disturbed Area?acres D increase D decrease.		
□ Yes	x No	2. Is the application submitted as a result of a Division Order? DO #		
□ Yes	x No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?		
□ Yes	x No	4. Does application include operations in hydrologic basins other than as currently approved?		
□ Yes	x No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?		
□ Yes	x No	6. Does the application require or include public notice/publication?		
O Yes	x No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?		
□ Yes	x No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?		
□ Yes	x No	9. Is the application submitted as a result of a Violation? NOV #		
□ Yes	x No	10. Is the application submitted as a result of other laws or regulations or policies? Explain:		
□ Yes	x No	11. Does the application affect the surface landowner or change the post mining land use?		
□ Yes	x No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)		
□ Yes	x No	13. Does the application require or include collection and reporting of any baseline information?		
□ Yes	x No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?		
□ Yes	x No	15. Does application require or include soil removal, storage or placement?		
□ Yes	x No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?		
□ Yes	x No	17. Does the application require or include construction, modification, or removal of surface facilities?		
x Yes	□ No	18. Does the application require or include water monitoring, sediment or drainage control measures?		
□ Yes	x No	19. Does the application require or include certified designs, maps, or calculations?		
□ Yes	x No	20. Does the application require or include subsidence control or monitoring?		
□ Yes	x No	21. Have reclamation costs for bonding been provided for?		
□ Yes	x No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?		
□ Yes	x No	23. Does the application affect permits issued by other agencies or permits issued to other entities?		
d)				

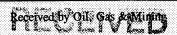
□ Attach \_5\_ complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein

My Commission Expires:
Attest: STATE OF COUNTY OF



DIONNE M. OMAN NOTARY PUBLIC · STATE of UTAH **891 NORTH 300 EAST** PRICE, UTAH 84501 COMM. EXP. 12-15-2002



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DIVISION OF OIL, GAS AND MINING

ASSIGNED TRACKING NUMBER

## Application for Permit Processing Detailed Schedule of Changes to the MRP

Title of Application:	Modifications to Allow for Disposal of Pond Sediment from Dugout Canyon Mine at Banning
Loadout	

Permit Number: ACT/007/034

Mine: Banning Loadout

Permittee: CANYON FUEL CO., LLC

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. Include page, section and drawing numbers as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
□ ADD	X REPLACE	□ REMOVE	Replace Page 2-9
X add	□ REPLACE	□ REMOVE	Add Page 2-9a
X add	□ REPLACE	□ REMOVE	Add Dugout Canyon Mine Sediment Pond Sediment Sample Laboratory Analysis to Appendix 2-2
□ ADD	□ REPLACE	□ REMOVE	
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Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

JUN n 1 2001

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